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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, August 31, 1999

JOINT PETITION OF

GLOBAL CROSSING LTD.

AND

FRONTIER CORPORATION

CASE NO. PUA990027

For approval to transfer control of
Frontier Corporation's Virginia Operating
Subsidiaries to Global Crossing Ltd.

ORDER GRANTING APPROVAL

On May 7, 1999, Global Crossing Ltd. ("Global Crossing") and Frontier Corporation ("Frontier"), (collectively, "the Petitioners") filed their completed joint petition with the Commission pursuant to Chapter 5 of Title 56 of the Code of Virginia requesting Commission approval to transfer control of Frontier's Virginia operating subsidiaries to Global Crossing. The Petitioners state in the joint petition that the request is made as a result of the execution of an Agreement and Plan of Merger ("the Merger Agreement") on March 16, 1999. On July 2, 1999, the Commission issued its Order Extending Time for Review, which extended the time period for reviewing the joint petition through September 3, 1999.

Global Crossing is a Bermuda holding company with numerous subsidiaries, including several in the United States. Global Crossing performs its holding functions in Beverly Hills, California. It is majority owned and controlled by United States nationals and has United States citizens holding all key management positions and the majority of Board of Director seats.

Global Crossing's stock trades on the NASDAQ stock exchange. As described in the joint petition, Global Crossing is building and operating a global fiber optic network for data, voice, video, and Internet transmissions. Global Crossing is a new entrant into the global telecommunications industry that in less than three years has opened the submarine cable industry by building, as a stand-alone enterprise, competitive private submarine cables that offer global connectivity to international carriers and Internet service providers.

Frontier is a New York corporation publicly traded on the New York Stock Exchange. Through its various operating subsidiaries, Frontier is authorized to offer intrastate interexchange telecommunications services in fifty states and the District of Columbia, including intrastate services in Virginia. Frontier subsidiaries also are qualified as competitive local exchange carriers in twenty-nine states, including Virginia. Frontier's subsidiaries providing intrastate interexchange services in Virginia are as follows: Allnet Communications Services, d/b/a Frontier Communications Services, Budget Call Long Distance, Inc., Frontier Communications of the West, and Frontier Communications International, Inc. Frontier's subsidiary, Frontier Telemanagement, LLC, provides competitive local exchange services in Virginia. Only Frontier Telemanagement, LLC, is certificated and regulated by the Commission.

As described in the joint petition, the Merger Agreement provides for Global Crossing to acquire Frontier and exchange shares of Global Crossing stock for all of the outstanding shares of Frontier on a tax-free basis. To effect the transaction, Global Crossing will create a new subsidiary, GCF Acquisition Corp., which will merge into and with Frontier. As the surviving corporation, Frontier will become a wholly owned subsidiary of Global Crossing. Alternatively, if the parties choose, the technical form of the transaction may change to one in which Global Crossing and Frontier would become sister companies under a single newly created Delaware

holding company. The Petitioners represent that, under both structures, there will not be any assignment of certificates held by Frontier's Virginia operating subsidiaries, and Frontier's Virginia operating subsidiaries will retain the same corporate relationships with Frontier as they have prior to the merger. Frontier's Virginia operating subsidiaries will become indirect subsidiaries of Global Crossing or of the newly created holding company.

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control of Frontier's Virginia operating subsidiaries will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, the Petitioners are hereby granted approval of the proposed transfer of control of Frontier's Virginia operating subsidiaries to Global Crossing as described herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.